

APPENDIX E-501 P

NO CHARGE MATERIEL

1. PURPOSE

This procedure is applicable to chapter 43 and describes the methods by which materiel received from vendors on a No Charge basis will be processed. Procedures apply to direct deliveries from vendors to customers and to shipments from vendors for stock replenishment.

2. APPENDICES USED IN THIS PROCESS

a. Contract Award Input (DIC YPA, YPB, YPM). (Contracting Subsystem.)

b. Obligation Transaction Procurement of Materiel - No Charge (DIC YVD) (Financial Subsystem).

c. Appendix B-18, Prepositioned Materiel Receipt Card (Procurement Instrument Source).

d. Appendix C-11, Single Line Item Release/Receipt Document, DD Form 1348-1.

3. RESPONSIBLE ORGANIZATIONAL ELEMENTS

a. Supply Clerks in the Requisition Processing Branch and the Receipts and Due-In Section, Inventory Accounting Branch, Stock Control Division, Directorate of Supply Operations.

b. Item Managers in the respective branches of Inventory Management Division, Directorate of Supply Operations.

4. PROCEDURES/INSTRUCTIONS

a. The Requisition Processing Branch will receive the No Charge Materiel, with a copy of the Procurement Instrument, from the Directorate of Contracting and Production. When it is determined that the shipment is for stock replenishment, forward the materiel and the documentation to the Receipts and Due-In Section.

b. The following instructions apply to Direct Deliveries and will be accomplished by the Requisition Processing Branch.

(1) Issue of these materiels to the requisitioner/consignee will always be reimbursable even though the vendor furnished the materiel without charge.

(2) If packaging is within the capability of the DSC, prepare documentation in accordance with subparagraphs (3)(a) through (3)(d) below and forward the materiel and documentation to the requisitioner.

(3) If formal packaging is required beyond the capability of the DSC, forward materiel to the nearest DLA depot with DD Form 1348-1 filled out as follows:

(a) Materiel Release Order format, DIC A5E, appendix B-7.

(b) Unit price: one cent for SSC-2 items; standard price for all others (block E).

(c) Packaging level, i.e., A, B, or C, if known, otherwise in accordance with project code or requirements of the ultimate consignee (block AA).

(d) Procurement Instrument Identification Number (block BB).

(4) The distribution activity will be advised that no shipment status nor Materiel Release Confirmation will be required.

c. The following instructions apply to Stock Replenishment.

(1) The Edit and Verification Section, Operations Support Office, Directorate of Contracting and Production will prepare award data for input into the system under an M Series Procurement Instrument Identification Number against the Purchase Request Number to decrease the funds committed for the Contract Line Item involved.

(2) The Receipts and Due-In Section will:

(a) Verify that the quantity received matches the stock number and quantity established as due-in against the Contract Number.

(b) Prepare a letter/DF to the distribution activity furnishing the following information:

1. Contract and Line Item Number.

2. Stock Number and quantity.

3. An explanation that:

a. DD Form 250 will not be furnished for the materiel.

b. A Prepositioned Materiel Receipt Card (PMRC) for the NO CHARGE materiel has been forwarded.

c. A receipt transaction (DIC D4__) will be submitted to the DSC.

(c) Forward the No Charge materiel and the authenticated letter/DF to the Distribution Activity.

NOTE: When the distribution activity is collocated with the DSC, the No Charge materiel together with the DF will be handcarried to the distribution activity.

(d) Coordinate with the Item Manager, as required, on any of the above actions. Furnish a copy of the letter/DF to the Item Manager.

5. FLOW CHART

Flow chart not required.